

**GUNN, LEE & CAVE, P.C.  
TERMS OF ENGAGEMENT**

**1. Introduction.**

This statement explains the general terms of your engagement of Gunn, Lee & Cave, P.C (the Firm). Unless otherwise stated in a signed writing, the Terms of Engagement set forth herein are binding on both you and the Firm. Your engagement of the Firm indicates your acceptance of these terms. Please keep this information for future reference.

**2. Management of the Engagement.**

You, as the client, have the right to be informed of the status of the Firm's work for you. When your case is received, the Firm assigns a supervising attorney who is responsible for communicating with you. You can request a change of the supervising attorney at any time by contacting the Firm's managing partner. To do a job well, the supervising attorney may assign various attorneys in the Firm to represent you. Work also may be delegated to the Firm's paralegals or law clerks. All work assignments depend on several factors, including expertise, availability, and overall cost effectiveness. It is important to us that you understand the services being provided by the Firm. If questions arise, please discuss them with the supervising attorney as soon as possible.

**3. Subsequent Matters.**

The agreement reflected in these Terms of Engagement, and in any accompanying letter, applies to the Firm's present representation and to any subsequent matters that the Firm agrees to undertake on your behalf.

**4. Power of Attorney.**

As part of this Agreement, you hereby authorize the Firm to execute all complaints, claims, verifications, dismissals, deposits and orders on your behalf.

**5. Fees.**

The Firm is committed to charging reasonable fees for its services. The following factors are taken into account when setting your fees:

- the time and labor required, the unusual nature and difficulty of the question involved, and the skill needed to perform the legal services properly;
- the fee customarily charged in this geographical area for similar legal services;
- the amount of money involved and the results obtained;
- the time limitations imposed by you or by the circumstances;
- the nature and length of the professional relationship with you;
- the experience, reputation, and ability of the attorney or attorneys performing the services;

- the likelihood that acceptance of your engagement will preclude other client opportunities by the Firm; and
- the basis for the fee, meaning whether it is hourly, fixed, contingent, or a combination of these (e.g., an hourly rate plus a percentage of the recovery). The hourly rates of the Firm's attorneys are based on their experience and are periodically modified by the Firm. If the fee is contingent, the degree of risk to the Firm is also considered.

6. Estimates Versus Fixed Fees.

Clients occasionally request advance estimates of fees. An estimate, although based on the attorney's professional judgment, will often be affected by factors outside the control of the Firm and should not be considered a fixed rate or maximum fee. It is possible in certain situations to quote a fixed fee. In these instances, the Firm provides a letter stating the fixed fee and the specific services to be performed.

7. Contingent Fee Arrangement.

While rare, the Firm sometimes agrees to represent a client under a contingent fee arrangement. Such engagements must be approved in advance by the Firm's managing partner and reflected in a signed agreement between the Firm and the client.

8. Expenses.

In addition to professional fees, an invoice includes charges for other services the Firm provides or arranges, such as government fees, photocopy; delivery; long-distance telephone; facsimile transmission; travel; word processing; document management; computer-assisted legal research; investigation; court reporting; and witnesses, notary, and court fees. The Firm periodically modifies its charges for these services. For unusually large expenses, you may be requested to pay in advance to the Firm or directly to the provider.

9. Retainer.

Clients without a payment history are usually requested to provide a retainer to the Firm. Any retainer or advance payment for services is deposited to a client trust account. Usually the Firm applies the retainer to the client's final invoice and returns the remaining balance, if any, to the client. Paying a retainer does not relieve the client's obligation to pay monthly invoices. If an invoice remains unpaid, the Firm reserves the right to apply the retainer to the unpaid balance and require an additional retainer before commencing further work.

10. Client Trust Account.

All trust deposits from clients (including retainers) are held in a client trust account. By court rule in Texas, funds deposited to a trust account are subject to IOLTA (Interest on Lawyer's Trust Account) participation. IOLTA funds are used to support law-related charitable and educational activities. The only exception is when the deposit is large enough to earn interest in excess of bank and administrative costs. In these situations, the Firm opens an interest-bearing account, and interest is credited to the client until the deposit is applied.

**11. Insurance Coverage.**

Even if your insurance coverage applies to the services to be performed by the Firm, primary responsibility for payment remains with you.

**12. Billings.**

The Firm submits an invoice to you on a monthly basis. The invoice contains a statement of the services performed and expenses incurred. At your request, additional information can be included on the invoice. We request payment within thirty (30) days following the date of the invoice. Please direct any questions regarding the invoice to the Firm's office manager, the supervising attorney, or the Firm's managing partner.

**13. Interest on Past Due Accounts.**

All amounts on your account remaining unpaid for more than thirty (30) days after invoicing accrue interest at 12% per annum.

**14. Past Due Accounts.**

If an account becomes more than ninety (90) days past due, legal work stops until the account is brought current. Any exception to this must be in writing and approved by the Firm's managing partner. If a bill remains unpaid, the Firm may withdraw from further representation of the client.

**15. Payment Notwithstanding Dispute.**

In the event of any dispute that relates to the Firm's entitlement to any payment from you, you shall pay all undisputed amounts. Any amounts in any client trust account held on your behalf sufficient to pay the disputed amounts shall continue to be held in such trust account until final disposition of the dispute.

**16. Outcome.**

The Firm does not and cannot guarantee any outcome in a matter.

**17. Termination.**

After providing written notice, you may end the Firm's engagement at any time. Upon such action, all fees and expenses still owed before the termination are due to the Firm. When your account is paid, your papers and property will be returned promptly. You are responsible for any expenses in connection with the transfer of the matter to other counsel. Subject to the Rules of Professional Conduct, the Firm also may terminate the engagement. These rules permit or sometimes require withdrawal. Before this occurs, the Firm will provide you with written notice.

**18. Grievances.**

The State Bar of Texas investigates and prosecutes professional misconduct committed by Texas attorneys. Although not every complaint against or dispute with a lawyer involves

professional misconduct, the State Bar Office of General Counsel will provide you with information about how to file a complaint. For more information, please call 1-800-932-1900. This is a toll-free telephone call.

19. Arbitration.

Any dispute between you and the Firm, or any of its employees, shall be resolved by confidential, binding arbitration in San Antonio, Texas, by and in accordance with the then-current rules of the American Arbitration Association. Judgment thereon may be entered in any court having jurisdiction. The prevailing party shall be entitled to reasonable attorney's fees and costs.

20. Your Input.

The Firm's foremost objective is to provide quality legal services. We recognize the importance of knowing how you feel about the services provided by our attorneys. Please feel free to discuss any aspect of the Firm's services or charges with the supervising attorney, the office manager, or the managing partner.

Managing Partner: Ted D. Lee

Office Manager: Laura Keck

*I have read and understand the foregoing Terms of Engagement.*

ZroBlack, LLC

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John Saenz, CEO

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Date